

CAPITAL IMPROVEMENTS: AN OVERVIEW



What is a CIP?

Community Input

Why Develop a Capital Plan?

The Budget Connection

Cradle to Construction, the Life of a Capital Project

What are CIPs anyway?

This information covers the citywide CIP and budget approach. Different bureaus may use differing terms. Please contact individual bureaus for more detailed information.

- Capital Improvement Project: Construction, major maintenance, and improvement projects.
 Includes infrastructure upgrades & replacement.
- Capital Improvement Plan: A 5 to 20 year plan for these projects.
- · City Bureaus develop individual Capital Improvement Plans.
 - · Projects are prioritized as funding is available.



10 reasons for Capital Planning

- 1. Shows the community what projects are planned
- 2. Provides certainty for the future
- 3. Helps the City coordinate outreach and construction
- 4. Prioritizes capital construction and maintenance needs
- 5. Helps the City forecast & coordinate long-term needs
- 6. Ensures infrastructure is maintained and upgraded
- 7. Provides a framework for funding capital projects
- 8. Increases efficiency of engineering and budget efforts
- 9. Maintains high bond ratings which, in turn, saves costs
- 10. Allows effective time to plan for large projects



How does my neighborhood benefit?

Capital Improvement Plans & Projects:

- Ensure upgrades, repairs and replacement of aging infrastructure
- Allow bureaus to deliver needed services to meet demands of a growing and changing population
- Recognize and ensure implementation of community priorities for a livable city



How does the City know what the community wants?

- · Community & Neighborhood planning
- · Citizen Advisory Committees
- Community & neighborhood-led livability initiatives
- Citizen input on mandated projects (Endangered Species, Clean Water Act, Emergency Preparedness)
- · Bureau-sponsored meetings
- · City Council forums & hearings



What qualifies as a Capital Improvement Project?

Capital projects meet one or more of these criteria for budget review purposes:

- mandated
- community plan priority
- major City Council objective
- necessary to ensure public safety or health

- multi-year project
- a return on investment
- help economically disadvantaged areas
- decrease City's unfunded liability



THE BUDGET CONNECTION How do these projects fit into the City Budget?

Volume 3 of Portland's budget contains an overview, budget tables and a description of <u>all</u> approved projects.

- The capital budget is about 10-15% of the total City budget.
- The Portland Development Commission's capital budget is an additional \$30-40 million.

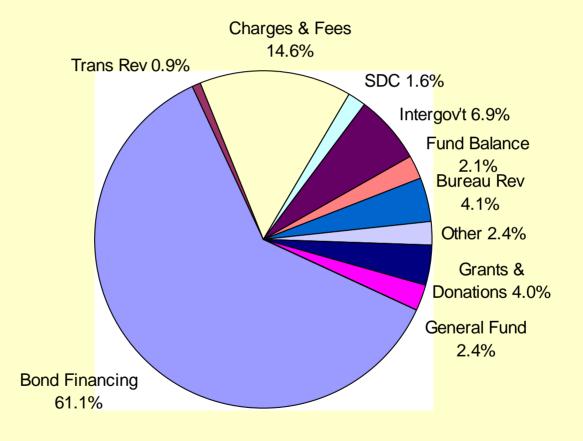


The Budget Connection, continued

FY 2001-02 Citywide CIP Funding Sources

Funding is mostly from restricted bonds, fees, grants and intergovernmental sources.

Only 2.4% is from the City's General Fund.





The Life of a Capital Improvement Project

Planning

Community involvement identifies needs and partnership opportunities

City Council provides endorsement/direction

- Community provides testimony at hearings

Budget, timeline & pre-design

- Internal City process to prepare project for budget approval



Life of a Capital Improvement Project (continued)

Schedule into Capital Improvement Plan

- Also an internal process

Approved for current budget

 Community provides input at budget forums & hearings

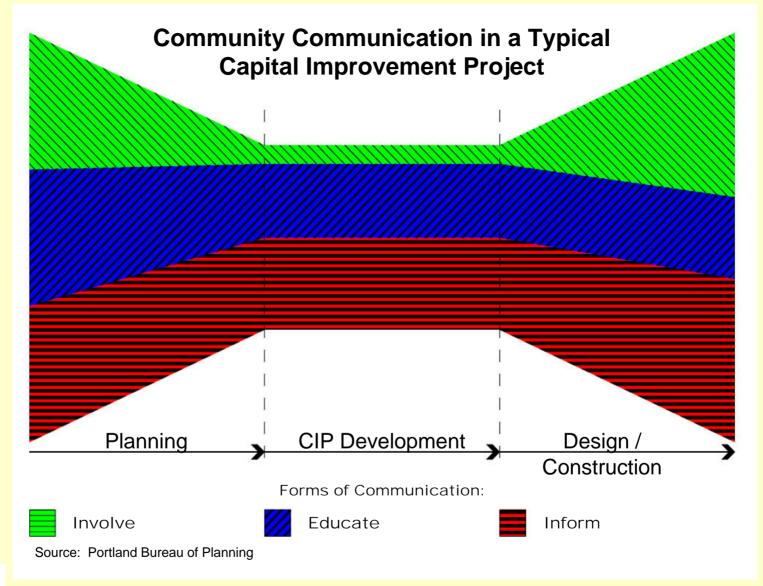
Design & construction

- Community provides input into design and tracks construction progress

This entire process can take several years.



Project Life Cycle





Summary

· Capital planning ensures

- timely repair and replacement of aging infrastructure
- implementation of community priorities for livability
- service delivery needs are planned and met

Stay involved!

- Continue learning about projects in your neighborhood
- Attend planning and budget meetings to provide input
- Visit this web site frequently to learn more, stay informed

